



Rep. Karen May

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09700HB1354ham001

LRB097 06590 PJG 52873 a

1 AMENDMENT TO HOUSE BILL 1354

2 AMENDMENT NO. _____. Amend House Bill 1354 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Prompt Payment Act is amended by
5 changing Section 3-2 as follows:

6 (30 ILCS 540/3-2)

7 Sec. 3-2. Beginning July 1, 1993, in any instance where a
8 State official or agency is late in payment of a vendor's bill
9 or invoice for goods or services furnished to the State, as
10 defined in Section 1, properly approved in accordance with
11 rules promulgated under Section 3-3, the State official or
12 agency shall pay interest to the vendor in accordance with the
13 following:

14 (1) Any bill, ~~except a bill submitted under Article V~~
15 ~~of the Illinois Public Aid Code,~~ approved for payment under
16 this Section must be paid or the payment issued to the

1 payee within 60 days of receipt of a proper bill or
2 invoice. If payment is not issued to the payee within this
3 ~~60-day 60-day~~ period, an interest penalty shall be applied
4 to ~~of 1.0%~~ of any amount approved and unpaid, beginning on
5 the first day after the 60-day period and shall be added
6 for each month or fraction thereof after the end of this 60
7 day period, until final payment is made. Interest shall be
8 calculated as the average prime commercial rate plus 1.0%
9 and shall be applied to the unpaid portion of the bill at
10 the rate of 1/360th for each day the payment remains due
11 and unpaid. For purposes of this Section, "average prime
12 commercial rate" means the average of the preceding 12
13 months' prime commercial rate as published in the Wall
14 Street Journal, calculated as of each July 1. As soon as is
15 practical after each July 1, the Comptroller shall
16 calculate the average prime commercial rate and the daily
17 prompt payment rate and publish the daily rate on its
18 official Internet website. The new rate shall become
19 effective each July 1 for each new fiscal year. The
20 interest rate applicable to any late payment shall be the
21 rate in effect for the fiscal year from which the
22 appropriations supporting the original vendor payment are
23 drawn. The Comptroller may promulgate rules to implement
24 this Section. Any bill, except a bill for pharmacy or
25 nursing facility services or goods, submitted under
26 Article V of the Illinois Public Aid Code approved for

1 ~~payment under this Section must be paid or the payment~~
2 ~~issued to the payee within 60 days after receipt of a~~
3 ~~proper bill or invoice, and, if payment is not issued to~~
4 ~~the payee within this 60 day period, an interest penalty of~~
5 ~~2.0% of any amount approved and unpaid shall be added for~~
6 ~~each month or fraction thereof after the end of this 60 day~~
7 ~~period, until final payment is made. Any bill for pharmacy~~
8 ~~or nursing facility services or goods submitted under~~
9 ~~Article V of the Illinois Public Aid Code, approved for~~
10 ~~payment under this Section must be paid or the payment~~
11 ~~issued to the payee within 60 days of receipt of a proper~~
12 ~~bill or invoice. If payment is not issued to the payee~~
13 ~~within this 60 day 60 day period, an interest penalty of~~
14 ~~1.0% of any amount approved and unpaid shall be added for~~
15 ~~each month or fraction thereof after the end of this 60 day~~
16 ~~60 day period, until final payment is made.~~

17 (1.1) A State agency shall review in a timely manner
18 each bill or invoice after its receipt. If the State agency
19 determines that the bill or invoice contains a defect
20 making it unable to process the payment request, the agency
21 shall notify the vendor requesting payment as soon as
22 possible after discovering the defect pursuant to rules
23 promulgated under Section 3-3; provided, however, that the
24 notice for construction related bills or invoices must be
25 given not later than 30 days after the bill or invoice was
26 first submitted. The notice shall identify the defect and

1 any additional information necessary to correct the
2 defect. If one or more items on a construction related bill
3 or invoice are disapproved, but not the entire bill or
4 invoice, then the portion that is not disapproved shall be
5 paid.

6 (2) Where a State official or agency is late in payment
7 of a vendor's bill or invoice properly approved in
8 accordance with this Act, and different late payment terms
9 are not reduced to writing as a contractual agreement, the
10 State official or agency shall automatically pay interest
11 penalties required by this Section amounting to \$50 or more
12 to the appropriate vendor. Each agency shall be responsible
13 for determining whether an interest penalty is owed and for
14 paying the interest to the vendor. Interest due to a vendor
15 that amounts to less than \$50 shall not be paid but shall
16 be accrued until all interest due the vendor for all
17 similar warrants exceeds \$50, at which time the accrued
18 interest shall be payable and interest will begin accruing
19 again, except that interest accrued as of the end of the
20 fiscal year that does not exceed \$50 shall be payable at
21 that time. In the event an individual has paid a vendor for
22 services in advance, the provisions of this Section shall
23 apply until payment is made to that individual.

24 (3) (Blank). ~~The provisions of this amendatory Act of~~
25 ~~the 96th General Assembly reducing the interest rate on~~
26 ~~pharmacy claims under Article V of the Illinois Public Aid~~

1 ~~Code to 1.0% per month shall apply to any pharmacy bills~~
2 ~~for services and goods under Article V of the Illinois~~
3 ~~Public Aid Code received on or after the date 60 days~~
4 ~~before the effective date of this amendatory Act of the~~
5 ~~96th General Assembly.~~

6 (Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10;
7 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff.
8 1-25-11; 96-1530, eff. 2-16-11; revised 2-22-11.)

9 Section 99. Effective date. This Act takes effect July 1,
10 2011.".